

(18.)

OCEAN STEAMERS.

STATEMENT

OF THE

PRINCIPAL CIRCUMSTANCES CONNECTED WITH THE ESTABLISHMENT

OF THE

LINE OF OCEAN STEAMERS

BETWEEN

LIVERPOOL AND CANADA,

AND THE SERVICE PERFORMED FROM MAY, 1853, TO DECEMBER, 1854.

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OCEAN STEAMERS.

Statement of the principal circumstances connected with the establishment of the Line of Ocean Steamers between Liverpool and Canada, and the service performed from May, 1853, to December, 1854.

So much misapprehension has been created in one way and another in both Houses of the Legislature and the country generally, as to the steam service between Liverpool and Quebec, that I think it due to the importance of the subject, to the large commercial and trading interests of Canada, and also to the Canadian Steam Navigation Company, as well as necessary for the true understanding of the subject by the members of Parliament, to submit a plain narrative of the whole matter up to this time along with copies of such documents as have a relative bearing on the subject: In reply to a public advertisement, my firm, in Liverpool, on 11th June, 1852, made a tender to the Government of Canada to perform a steam service between Liverpool and the St. Lawrence during summer, and between Liverpool and Portland in winter. The tender offers "to commence a monthly service within twelve months from date of signing contract, and a fortnightly service ten months after notice has been given to the contractors." The tender was accepted in substance by the Government, and our Agent in Quebec signed a contract on the 13th day of August, 1852, intended to embody the terms of our tender so accepted. We had offered to perform the service for an annual subsidy of £24,000, this sum was agreed to by the Government, but as the City of Portland and the Railway Companies interested would derive large advantage from the establishment of steam communication, the Government required that £5,000 of the subsidy should be paid by them. To the contractors it was matter of indifference by whom the subsidy was paid, but this circumstance complicated the contract by rendering necessary the sanction of the Canadian Legislature for that portion of the subsidy to be paid by the Canadian Government, and the sanction of the Le-

Advertisement for tenders.

Tender.

Contract founded on tender.

Delay in the completion of Contract.

Contract not
completed un-
til March,
1853.

gislature of the State of Maine, for that portion of the subsidy payable by the Atlantic and St. Lawrence Railway Company: the first of these Legislative ratifications was obtained in November, 1852, and the other in March, 1853, thus the contract was not concluded until nearly eight months after it was originated.

Injurious re-
sults from de-
lay in comple-
tion of Con-
tract.

On referring to the contract, it will be found that the contractors were entitled to a period of at least nine months, viz: from date of contract, 13th August, 1852, to May 1853, to prepare for a monthly service, and of twenty-one months for a fortnightly service, that is—twelve months from the commencement of the monthly service. The contract as has been seen, not having been consummated until March, 1853—a period of seven months, that it was contemplated should be devoted to preparation for the service, was rendered abortive. Nor was this the only unfortunate result to the contractors arising from the delay, for a demand for steam vessels had in the interim sprung up in England, which not only had the effect of raising the price to a very serious extent, but of preventing contracts for new vessels being entered into by builders for delivery in less than 18 to 24 months.

Time at
which Con-
tractor were
bound to com-
mence service.

These two facts must in justice and fairness be kept steadily in view in considering the service performed up to this time, for it will surely be admitted that before the contractors can be in justice or reason held equitably or legally bound to the literal terms of the covenant, the full time for preparation conditioned for in the contract must be accorded. This being admitted, it follows as a matter of course, that the contractors were not bound to commence a monthly service until the winter of 1853, or their fortnightly service *until the opening of the St. Lawrence in the present year.*

Commence-
ment of a pro-
visional ser-
vice.

Apologizing for the length of these prefatory explanations, I proceed to state, that the Government of Canada were anxious for a commencement of the steam service to test the capabilities of the route via the St. Lawrence to England; and the Contractors, desirous of meeting their views, *although the contract had only been two months in their hands*, commenced a steam service early in 1853, which will be afterwards referred to at more length.

Formation of
Company.

Soon after the completion of the Contract, the Contractors proceeded to mature arrangements for the association of the parties interested with them into a Company for the purposes of the Contract, in which, however, they experienced difficulties of a character which could not have been anticipated in consequence of the unprecedented refusal

of a Charter of Incorporation by the British Government—no Company having ever previously been refused a Charter for any Colonial or Foreign Steam Contract Service—and again, from the Act of Incorporation which was passed by the Canadian Parliament, being found inoperative in England, without some alteration, from the state of the law on the subject, besides which a period of much financial derangement had, in the meantime ensued. Notwithstanding all these drawbacks, however, the “Canadian Steam Navigation Company,” (a private partnership,) including amongst its members some of the wealthiest men in England, was formed,—the strength and respectability of which Company, the Hon. Mr. Hincks was assured of by Mr. Glyn, of Glyn, Mills & Co., one of the Agents of the Canadian Government in London. This Company entered into an arrangement with the contractors; took over the vessels previously purchased by them, and also the Contracts for new vessels building, and carried out the service of 1854.

Responsibility
of Company.

So much misconception has been created as to the action of the original Contractors in this matter that it is necessary to clear it away. In a communication from the Honble. Commissioners of Public Works to me since my arrival in this country they seem to consider that they have made a discovery in the fact, “that the Contractors were unable, without the assistance of the Canadian Steam Navigation Company, to carry out the Contract which they had entered into with the Government of Canada, and had transferred their Contract to that Company without the Government being in any manner apprized of or parties thereto.”

Misunderstanding as to
action of the
original Contractors in
associating
Capitalists.

I have understood that interested parties in Canada, who were either ignorant of the usages in such cases, or perverted the facts of this case to suit their purposes, endeavoured to prejudice the Contractors by publicly representing that they had undertaken to do what they could not individually carry out; but I was not prepared to find this gravely re-echoed by the Bureau of Public Works.

Misrepresentation by
interested parties, &c.

The Contractors never pretended to say, or by any indirect means to convey the impression, that they were to carry out the Contract of their own means—and it would equally be a reflection upon their honor, as it would be an insult to the well-known commercial prudence and sagacity of the Hon. John Young, then Chief Commissioner of Public Works, who acted on behalf of the Government, to suppose any such pretensions were put forward, and a Contract entered into on the strength of them. It would be enough to point to the universal practice of contracts

Contractors
only acted in
the usual way.

for such large undertakings being, in the absence of chartered companies, taken in the name of individuals or firms, to shew that the Contractors only acted in the usual way, as the medium through which their own and other's means were to be brought to bear upon the purposes of the Contract. Take, for example, the case of the "Cunard" and "Collin's" lines of steamers—they are known by the names of the respective contractors, but few reasoning men will imagine that their capital alone was invested in the undertaking, or that they were treated with on any such a supposition.

Government
of Canada
confirm this
action of the
Contractors.

If more were wanted on this point, fortunately tangible proof is given of the original understanding of the contracting parties, by the action of the Legislature of Canada in reference to this very point, viz: in the passing an Act, 16 Vic. cap. 131, incorporating a Company "for the purposes of the contract entered into with Messrs. McKean, McLarty & Co., and Her Majesty's Government, for a steam service, and for the purpose of *such extensions of said contract* as are contemplated by the Petitioners."

These facts, which the Honorable Commissioners seem to have overlooked, prove that not only no irregularity has been committed in the bringing in other parties for the carrying out of the contract, but that what has been done by the Contractors in this matter is in accordance with the original intention and assisted by the direct action of the Legislature. And it ought to be matter of satisfaction to the Canadian Government, that the contract is being carried out by such a powerful Company as that organized by the contractors, and that too at a time when scarcity of money is paralyzing the operations of so many large Companies.

To return to the subject of the performance of the steam service.

Severity of
spring of 1854
and conse-
quent disas-
ters to the
steamers.

The spring of 1854 proved one of the most severe on record, and the Company not anticipating the lateness of the season, unfortunately started their vessels too early, and the consequence was that the three first met with such obstructions and delays from ice, that the service was unavoidably deranged, and the Company exposed to a very severe loss. Subsequent disasters to some of the steamers also, in Lake St. Peter, (the summer being an unusually dry one,) necessarily caused irregularity in the arrivals and departures of the steamers.

Exertions of
Company to
maintain the

The Company during all this period made every possible exertion in the face of these untoward events, without regard

to cost, to keep up the line, and were vigorously pushing forward their large and powerful new vessels of 1800 tons and corresponding power, and in the end of last year I was deputed to come over to Canada for the purpose of obtaining settlement for past services and of submitting to the Government certain modifications of the terms of the contract which the severe experience of the past* service had proved to be necessary.

service under difficulties.

Knowing as I did so well the almost insurmountable difficulties which had been contended with in the execution of the service, and the spirit with which it had been carried out, at enormous cost, and which I thought were of course known and appreciated by the Government, I was naturally surprised and mortified, to have put into my hands, by indifferent parties, on my arrival in this country, a copy of an official Report by the Honorable Commissioners of Public Works on Ocean Steamers, professing to be made up *only to June, 1854*, in which, not only the provisional service of 1853, but also the early service of 1854, is attacked. In that Report it is stated that "in no one particular have the conditions of "this contract been carried out." Considering the terms of the Report, my knowledge of similar transactions with the English Government supplies no precedent equal to the unaccountable absence of any opportunity having been given to the Contractors of making any necessary explanation before the official issue of such a Report. I will, however, pass over this most un-English proceeding, and address myself to the consideration of the sweeping wholesale condemnation in the Report, and the statements that are brought to support it. Before doing so, however, I again draw attention to the delay that occurred in the completion of the Contract, and the results, requesting the justice of its being kept always in mind in considering the tenor of that Report.

Report on Ocean Steamers by the Commissioners of Public Works.

Condemnation without a hearing.

The first charge made is, that in 1853, the Contractors only made five out of the seven contemplated monthly trips to the St. Lawrence, with vessels below the size and power named in the contract. An evident and sufficient reply to this is found in the delay that occurred in the completion of the Contract, and consequent inadequate time for preparation. The truth, in regard to the early service, is, that some members of the Government were anxious to test the capabilities of the St. Lawrence route to England, and to avail, as soon as possible, of the advantage of steam communication—and the Contractors, desirous to meet their views, commenced a service in 1853,

First charge in Report, and reply thereto.

within two months of the completion of the contract, with the best vessels that could possibly be procured—an arrangement satisfactory to the Government in Office and availed of by them on every occasion, but which proved a serious loss to the Contractors. The Government subsidy for 1853 will not cover the amount lost by the Contractors during that year, by many thousand pounds sterling.

Loss to Contractors by 1853 service.

To show that a provisional service of this sort is no exceptional case, I take occasion to mention that the steamers employed were larger than those that carried out the Mail Service between Great Britain and the Cape of Good Hope for a considerable time at the commencement; and were it worth while occupying time, it would be very easy for me to prove that the size and power of some of the vessels employed are erroneously stated in the Report. During this service, what the Government of the time were anxious to have tested, was proved to their satisfaction, viz., that the route *via* the St. Lawrence to England could compete successfully, in point of time, with any other from the Continent of America, by the fact that two or three of the fastest passages across the Atlantic on record were made by the steamers employed—the vessels, on each occasion, carrying the latest intelligence to both Continents. These facts were patent to all, and in the proper and fair discharge of official duty ought to have been known and stated.

Provisional service in such cases usual.

Fast passages in 1853, not acknowledged in Report.

Next complaint in Report, and reply thereto.

The next item of offence stated in the Report, is that the Contractors “equally failed in the service to Portland during “the Winters of 1853–’4.” It is more than enough, in reply to this, keeping in view the time lost for preparation, already explained, to say that the full number of winter trips stipulated for in the Contract, viz. five, were performed by the steamers “*Ottawa*,” “*Charity*,” and “*Sarah Sands*”—this charge therefore is an inaccuracy which there are just grounds to complain of.

Unfairness of the Report.

A correct idea may be formed of the unfairness of the Report by the facts connected with the next charge put forward, as follows—viz.: that “the Contractors, as will be “seen by their advertisements in the several newspapers, demand 80s. per ton freight, instead of 60s., as specified in “the Contract.” The Report, as already stated, professes to be made up *only to June*—at which time, any one may very easily satisfy himself that no such advertisement can be found in any newspaper. It is true that at a later period of the season, when a general heavy rise had taken place in all

steam freights and when the Underwriters raised the rate of insurance, and wages, and cost of coals, stores, provisions, &c., had risen to war prices, the Contractors did increase the rate of freight to 80s.; a measure, the reasonableness of which, under the circumstances, was at once accepted by the Government, as I am informed will be found duly recorded in the Minutes of the Executive Council. In justice to themselves the Hon. Commissioners of Public Works ought to have inquired into this fact before they committed the suggestive anachronism of putting into a Report, *closed in June, a circumstance which did not occur for three months afterwards*. The passages made by the steamers, after June, were of the most creditable character, but no notice appears of this; the truth is that although the Report is open for censure, it is hermetically sealed against justice.

The report then goes on to state, that the vessel that commenced the service of 1854, the "*Cleopatra*," left Liverpool on the 11th April and reached Quebec on "the 24th May, and that the next vessel of the line, the "*Ottawa*," which left Liverpool on the 25th April, did not arrive at Quebec at all,"

Spring voyages of 1854, and charges in the Report connected therewith.

These are termed "violations of the contract," and proof is offered of the violation, by stating that a sailing vessel arrived at Quebec "as early as the 10th May," and that "when the "*Cleopatra* came into port she found 50 sail already at anchor "before her," and it is stated that "the quantity and the lateness "of the ice in the Gulf, has been presented to explain the late "appearance of the *Cleopatra*."

In reference to these charges, I submit, it must be evident to every unprejudiced mind, that the contractors unfortunately were only too anxious to commence the service last Spring, for as dear bought experience of the unusual lateness of the season proved, they started their vessels too early. A copy of the log of the *Cleopatra*, and an address to the commander, by five Captains of sailing vessels, regularly employed in the St. Lawrence trade for many years, who happened to be passengers by the *Cleopatra*, appeared in the Quebec newspapers of the 11th May, (see Appendix No. 1), showing that, although the vessel encountered one of the terrific hurricanes for which last spring will long be remembered in the annals of disaster and shipwreck, and during which, her ice-house, containing the fresh provisions, was washed overboard, but which she nobly rode through, and that without damaging a package of her cargo, she made the Gulf of St. Lawrence in twelve days from Liverpool, and was

Cleopatra's first voyage, —Storm encountered, &c.

Excellent passage as far as the Gulf.

the means, under Providence, at considerable loss of time, of rescuing the crew of the "Bellona," numbering 18 souls.—Had the navigation of the Gulf been open, she would have made an excellent passage to Quebec.

Ice in the
gulf, impossi-
bility to force
passage.

As it was, the officers, for seven or eight consecutive days persevered to no purpose in endeavouring to force the vessel through the ice, in the course of which time she stove in her bows and was repeatedly in imminent peril from being jammed in the ice, and eventually had to bear up for St. John's, N. F., for a supply of coals and provisions. There she was frozen in for two days in the harbour, and on getting out, again attempted in vain to force her way through the ice, and on this occasion having seen no less than eighteen sail of vessels at one time fast in the ice, the officers, having before them the warning probable fate of the then missing *City of Glasgow*, with the fearful responsibility attaching to the safety of 400 souls under their charge, altered their course for Portland, where they landed the passengers, (who were forwarded to their respective destinations at ship's expense,) and the *Cleopatra* then proceeded with her cargo on her voyage to Quebec. During the delay thus occasioned, the "50 sail" mentioned as at anchor before her, arrived at Quebec.

Passengers
landed at
Portland.

"Ottawa's
voyage,"
Similar diffi-
culties, had to
take same
course.

Similar insurmountable difficulties were experienced by the *Ottawa*, that left Liverpool on 25th April, as I afford conclusive proof of by a letter addressed to me here by one of the most experienced and respected citizens of Quebec, Andrew Patterson, Esquire, who was passenger by the *Ottawa* on that occasion. (See Appendix No. 2). The *Ottawa's* passengers and cargo were also forwarded at ship's expense from Portland, and I need not point out the derangement that would have unnecessarily ensued to the service had the *Ottawa* lost time in going on from Portland to Quebec, where the *Cleopatra* was, and where she was sufficient for all the needful purposes of the trade. The *Ottawa* returned to Liverpool almost in ballast, at of course a serious loss. Were any more proof required of the lateness of the ice in the St. Lawrence in the spring of 1854, it is found in the fact of the *Charity*, Captain Paton, the third vessel of the line, which left Liverpool so late as the 10th May, having been also delayed by meeting heavy ice, in which she was detained for 10 days, and thereby prevented from making an average passage.

"Charity,"
third vessel,
10 days in the
ice.

There are two points in the narration in the Report of these occurrences that every one will admit there is just cause to complain of—the first is, that the report is so worded as to be made

to convey the impression that the *Cleopatra* was all the time from the 11th April to 24th May on the passage from Liverpool, and was from some unexplained reason passed by the 50 sail, said to have arrived before her. This disingenuous mode of stating facts must be evident to every unprejudiced mind after the explanation given;—and secondly, the lateness of the ice in the Gulf is not given in the Report as a *fact*, but as something alleged on the part of the contractors, to cover what is termed a “violation” of the contract.

Disingenuous-
ness of Com-
missioners’
Report.

That every business man in Canada was exposed to serious loss and inconvenience by the numerous disasters to sailing vessels arising from the severity of the Spring of 1854, is too well known to admit of dispute, and the unfairness of the attempt in the Report to ignore this fact in connection with the steam service must be apparent to all.

Unreason-
ableness of
Report.

The Honble. Commissioners appear to admit of no difficulty—*coute qui coute*—ice or no ice—damage or no damage—possible or not possible, the steamers must come up to time, in comparison with which, it would appear, that the risk of 400 lives and a valuable ship and cargo—(as in the case of the unfortunate *City of Glasgow*,)—is of no commensurate importance.

The next charge of nonfulfilment of contract, relates to the size and power of the steamers employed during 1854.

Complaint as
to size of
Steamers and
reply thereto.

The Report represents the *Ottawa* as of 910 tons and of 200 horse power, and the *Charity* of 1007 tons and of 400 horse power, but as nothing is said of the size and power of the *Cleopatra*, I take it for granted that she is considered to come up to contract size. It states that the contract size is 1200 tons, carpenter’s measurement, and 300 horse power. On the subject of measurement of vessels, so as to ascertain their actual capacity, there has always existed disputes amongst scientific and practical men, to obviate which an improved rule is to come into operation on the 1st May next under the “Merchant Shipping Act” passed last Session by the Imperial Parliament. It is considered, however, that the fairest and most accurate mode of measurement of steam ships at present in use is that acted on by the Lords of the Admiralty of England and by the Government of France, namely, to take the gross register tonnage as the measure of capacity,—after survey by the Admiralty Agent, the three vessels named, have since the Navigation of the St. Lawrence was shut, been chartered by the English Government at a certain rate per ton per month, at the

Steamers up
to contract
size, by Ad-
miralty rule
in England.

following tonnage, viz:—the *Cleopatra* 1467 tons, the *Ottawa* 1240 tons, and the *Charity* 1249 tons.

Ignorance of
difference between Register
Tonnage and
carpenter's
measurement.

The tonnage given of the *Charity* and *Ottawa* in the Report is in each case the *register tonnage*, which in the case of a steam ship has no reference whatever to carpenter's measurement, or the real capacity of the vessel. Further comment on this point is unnecessary.

Power of
Steamers.

As to the power of the *Ottawa* and *Charity*, the Commissioners were in possession of a Government certificate that the *Charity's* engines were of 400 horse power; but from whatever source the information as to the power of the *Ottawa* was derived, it is wrong, for her engines are *notoriously* more powerful than those of the *Charity*, as was evident by the more rapid passages she always made—on several occasions rivalling the Cunard Steamers.

"Sarah
Sands"

The Honorable Commissioners complain of the employment of the *Sarah Sands*. This was a matter of necessity, in consequence of the contractors not having sufficient time to have new vessels built. The *Sarah Sands* is one of the strongest and safest ships afloat, and although deficient in steam-power, is a favorite ship with emigrants for the comfortable accommodation she affords, and she carries large and heavy cargoes.

Commission-
ers recom-
mend cancel-
ling of con-
tract.

In the concluding remarks of the Report, the Honorable Commissioners feign to doubt the existence of a Contract; but recommend "*if one really exists,*" its being cancelled for the reasons mentioned in the Report. They very truly describe the importance to the Colony of a Line of Ocean Steamers; recommend a weekly service, and from "*the fact of several suitable first class Steam Vessels, owned by enterprising men in this Province, being now on the stocks and well advanced, the Hon. Commissioners are disposed to believe that a weekly line might be established without much delay, by not confining it to the parties connected with the present line.*"

Object of
doing so.

Danger of the
honor of the
Country being
compromised.

There can be no doubt as to the effect that was intended to be produced, by the terms of this Report, on the Government and on the country, in regard to the "Canadian Steam Navigation Company. The moving principle must surely have been great indeed that could have induced the issue of such a report, by which the Government, relying upon the due accuracy of an official document, might have been led to compromise the honor of a country, by ignoring or repudiating its own solemn covenant, ratified by Parliament.

When addressing the Honble. Jean Chabot, the chief commissioner of Public Works, on 23rd January last, I remarked on the past and future of the Steam Service in the following terms, viz:—

Letter to
Honble. Jean
Chabot.

"While it is admitted that some of the terms of the contract have not been carried out, from being found *impracticable*, and that others have not been performed to the letter, from natural causes, in the past rather exceptional season, and from want of previous experience of the navigation by steam vessels of the St. Lawrence, it is respectfully contended, and will be confirmed by those practically acquainted with such matters, that, under the difficulties incidental to all new and untried enterprises of a similar character, enhanced in this instance by the peculiarities of sea, river and lake navigation,—the entire absence of wharf accommodation at Quebec,—and the difficulty of obtaining barges when there was not depth of water to permit of the steamers proceeding to Montreal,—I say that I respectfully contend, that no similar service was ever better performed at starting.

Service under
all circum-
stances well
performed.

"It is not out of place here, to mention that the new vessels nearly completed, for the service, (the first of which will be launched about this time, and the next about a month after,) are all of much larger size and power than that specified in the contract, and calculated to attain a high rate of speed, and to ensure ample accommodation and comfort to passengers.

Large and
powerful new
vessels ready
for service.

"In concluding my remarks on the past, I should not be doing my duty to my constituents, did I not claim for them the credit due for the entire satisfaction that has been given to all first and second class cabin passengers, and particularly to emigrants, for the treatment and accommodation they have always received on board the Company's ships. (For example see document, appendix No. 3.) For the excellent passages made to the St. Lawrence after the date of your Honorable Commission's Report, and for the discipline of the ships, and efficiency of the officers and crews, in which respect the Company's ships are not surpassed by any comparable vessels afloat; and finally, in expressing my regret at the tenor of your honorable Commissioner's Report, permit me, with much deference, to observe that could you realize the *legion* of practical difficulties that surround the commencement of such undertakings, which nothing but actual working can demonstrate, and with what enormously increased force these have operated during the past year, in consequence of the war,

Good treat-
ment and ac-
commodation
of passengers
in Company's
ships.

Difficulties of
all early
Steam Service
—no allow-
ance made by
Commission-
ers.

and if the facts connected with the early history of every similar undertaking were thought of when considering this subject, I am sure the tone of your Report would not have been that of minute criticism and blame, but, on the contrary, that with one hand you would have thrown forbearance and consideration over the past, and with the other held out hope and encouragement for the future.

Payment of
subsidy asked
from Gov-
ernment.

"The observations I have made, will, I trust, be considered as establishing satisfactorily, that the contractors have performed the service as well, under the circumstances, as can be reasonably expected, and I have to add, that an early settlement of the subsidy will convince my friends of the good faith and disposition of the Government, and give them encouragement for the future. Regarding which I now beg to lay before you the following representation :

General re-
marks to past
and future
Service.

"The contract for a line of Ocean Steamers between Liverpool and Quebec, made by the Government of Canada, was the result of a public competition, after advertisement for tenders. It was considered at the time as a preliminary step towards the establishment, at a future period, of a more comprehensive scheme of steam communication with England ; and the Provincial Parliament, on the application of the contractors, passed an Act or Charter of Incorporation for a Company, with the view of furthering this important object.

£400,000
sterling in-
vested in
Steam vessels
on faith of
Contract.

"Measures are being taken at this moment to avail of this Charter, which, for certain reasons, connected with the state of English Law, on the subject, has not yet been acted upon, but a number of private individuals, having confidence in the fair and liberal consideration of the Canadian Government, in the growing importance of the Colonial trade, and having in view the important bearing that the permanency of a contract for an effective steam service would have upon the interests of the Colony, have invested capital to the amount of nearly £400,000 sterling, in vessels, most of them very much larger and more powerful than those contemplated in the contract, either already afloat or now ready for launching.

Modifications
of first Steam
Contracts uni-
versal.

"It is a fact in the history of similar undertakings, that no contract for a Postal Steam Service has ever been entered into by the British Government that has not been altered and modified soon after its commencement, and much consideration has always been accorded to contractors, until actual experience has made them acquainted with the particular service required.

"The contractors with the Canadian Government are, therefore, only following what seems the necessary or natural law of

such matters, in submitting for the consideration of the Government the desirableness and necessity of remodelling the present contract, in order to secure the full benefit to the country that it is calculated to command.

Expediency of modifying present contract.

"In all similar contracts a provision is made for increased subsidy, should relative circumstances change so much as in reason to require additional assistance. For instance, in the last contract with the Cunard Company, there is a clause. "That an additional allowance within certain limits is to be made to the Contractors, in the event of an increase in the rate of Insurance of steam vessels, or in the freight or insurance of coals, as compared with the rates payable at the date of contract, if proved to the satisfaction of the Lords Commissioners of the Admiralty."

Usual clause in contract with Admiralty of England for increased allowance, if necessary.

"In the contract with the Canadian Government, there is unfortunately, no such condition, but the contractors respectfully submit for the favourable consideration of the Government, the following drawbacks or disadvantages that practical experience has shown them to attach to this service."

Absence of this clause Canadian contract, and other drawbacks.

"I. The peculiarity of the St. Lawrence, in its sea, river and lake navigation, with the uncertainty of the seasons, and the paucity of lights in the Straits, have the effect of enhancing the premium of insurance on vessels trading to the St. Lawrence to a serious extent. On the property in shipping and coals, &c., that the Canadian Steam Navigation Company will have at risk next season,—the extra premium thus occasioned will amount to no less a sum than £10,000, sterling per annum, and since the date of the contract, a very large rise has taken place, not only in the first cost of steam ships, but in the sailing expenses—in wages, in the price of coals, oil, tallow, provisions, and all descriptions of stores."

Extra Insurance on vessels trading to the St. Lawrence—will cost Canadian Steam Company, £10,000 per annum.

"II. The Cunard Company subsidized by the British Government to the amount of £3,333 10s. per voyage, or 11s. 4½ per mile, and the Collins Company, subsidized by the American Government, to the amount of £6,538 10s. per voyage, or 22s. per mile, reduced their rates of freight and passage, to compete with the 'Canadian Steam Navigation Company,' and having a less hazardous voyage, and consequent lower rate of premium of insurance on both vessels and cargo, are too powerful opponents for the Canadian Steam Navigation Company, who only receive, under the contract, an allowance of £1,333 sterling, per voyage, or 4s. 6d. per mile. This fact is very justly and clearly recognised by the Commissioners of Public Works Report on the Ocean Steamers, 1853-4."

Comparative subsidies paid the "Cunard" "Collins" and "Canadian" Companies.

Commissioners state the necessity of a large subsidy.

Want of
wharves, &c.

"III. There is an entire absence of wharf and warehouse accommodation at Quebec, involving the exposure and damage to cargo, at ship's risk, as well as occasioning many other practical inconveniences, attended with a heavy money loss."

Present
amount of
subsidy, too
small for im-
proved ser-
vice by large
vessels.

"For these, and other less important reasons, with which the Contractors do not think it necessary to trouble the Government, it is respectfully submitted that there are equitable claims on the Government, for a liberal consideration, and modifications of the contract, for it must be evident to the Government that the present subsidy is far too small for the manner in which the Company are prepared to carry out the service, from the opening of the navigation of 1855, which it is confidently asserted, will bear a favourable comparison with that existing between England and the United States of America.

The benefits
of an exten-
sion of ser-
vice.

"In regard to an extension of the present service, as recommended in your Report, I coincide in the opinions there expressed, as to the ultimate effect, that a weekly line of steamers is calculated to have in drawing to the St. Lawrence, a large amount of traffic that is now forwarded by the other routes, and also believe, that under the operation of the Reciprocity Treaty, trade will gradually be transferred from other quarters, to the banks of the St. Lawrence, if to this new stimulant is added, proper outlets to European markets. In fact, that without the line of Ocean Steamers, on an effective footing—the great natural advantages of the basin of the St. Lawrence, and upper lakes, the benefits of the magnificent system of railways, now in progress—and the results of the recent Commercial Treaty with the United States, cannot be secured.

As to increase
of service.

"While thus appreciating the suggestions of the Commissioners of Public Works, I take leave respectfully to recommend that the frequency of the service be gradually increased, as the growing trade of the colony requires—the Government thus meeting there quirements of the country as they may arise, always keeping a little in advance of actual circumstances, so as to foster and encourage progress.

"I trust that the Government will be convinced by the statements now submitted to you, that, for an efficient steam service, a larger subsidy is required, and I have come out from England for the express purpose of meeting the Canadian Government, in a spirit of fairness, upon this main point, and likewise upon some other comparatively unimportant modifications of the existing contract.

"If the Government is prepared to admit of such modifications, I shall be happy to specify the particulars, and wherein they should take place.

"May I crave the favour of your submitting the present Communication to the Members of Government at their and your earliest possible convenience, as the advanced period of the season, and business considerations, render an immediate arrangement of and decision on, all matters connected with the subject, of pressing necessity."

Urgency of an immediate decision.

Considering the small amount of subsidy paid by the Canadian Government, it is manifestly unfair to contrast or compare the service with that of the "Cunard" or "Collins" line, although misinformed persons have, inconsiderately, taken up this view and founded hostile remarks thereon. It would, indeed, be matter of surprise if the present Contractors, with a subsidy of 4s. 6d. per mile, could establish a steam communication which would bear comparison with one that is subsidized to the extent of 11s. per mile, or another receiving 22s. per mile.

Concluding remarks.

In making this simple narrative of the circumstances connected with the steam service, I have found a most painful but unavoidable necessity imposed upon me of shewing how much the Report and views of the Hon. Commissioners of Public Works are founded in error, but this has been rendered necessary in order to correct the erroneous impressions created thereby in the public mind, to the prejudice of the Canadian Steam Navigation Company. In the course of my remarks, I have had much regret in having to point to the disingenuous character of the Statements put forward by the Honorable Commissioners. The matter in hand is a commercial one, entered into between business men in a business spirit, and in that spirit alone I can consent to look at and discuss it, for it would be derogatory to the honor of the Government of Canada and the high respectability of the Company I have the honor to represent, to descend, to special pleading, a course which in commercial circles is justly considered as damaging and unworthy.

It would be presumptuous in me, where others must be much better informed, to dwell upon the importance to this splendid Colony, commercially and politically, of a rapid, and frequent arterial communication with England. I must confess that there is an intense desire on my part to see the Steam Communication with Canada, which was commenced by my firm, put upon a solid and permanent footing. I know that the Government are duly impressed with the magnitude of the subject, and I, therefore, conclude my remarks by respectfully expressing my conviction that the Government of Canada will take a liberal and considerate view of the question, and extend due

protection to the large amount of property that has been called into existence for the purpose of permanently carrying out a very large undertaking entered into solely on the faith of a covenant made with them.

ROBERT LAMONT,

of Liverpool.

SWORDS' HOTEL,
Quebec, February, 1855.

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APPENDICE No. 1.

S. S. CLEOPATRA, at Sea,
1st May, 1854.

We, the undersigned Ship Masters, passengers per S. S. *Cleopatra*, do hereby certify that in all our experience during the number of years we have been trading to the ports of Quebec and Montreal, we have never seen such quantities of heavy ice, nor seen it so firm, nor of such an extent, as we have seen it during the last few days in this vessel. Having sailed 360 miles along the edges of said ice, during which time every possible exertion was made by our Commander, Captain Salt, to find a passage through the ice into the Gulf of St. Lawrence, but all to no purpose, owing to the extent and firmness of the ice. We found closely packed ice extending from the Newfoundland shore, at the St. George's Bay, to the eastward of St. Paul's, and extending from thence along the Cape Breton shore to lat. 46, 10 N., and lon. 59, 30 W., and from thence to lat. 46, 10 N., and lon. 58, 00 W., and we are of opinion that there will be no passage through the said ice into the Gulf of the St. Lawrence for the next fourteen days.

(Signed,)

JAS. JACKSON,
Commanding ships in the Quebec trade for the last 8 years.
EDWARD O'FLAHERTY, 6 "
GEORGE DALTON, 5 "
DAVID DOADYS, 30 "
JOHN DONAHUE, 8 "

APPENDIX No. 2.

QUEBEC, 7th FEB. 1855.

ROBERT LAMONT, Esq.

DEAR SIR,—I have been in the habit of crossing and re-crossing the Atlantic very often for the last fifty years, and with the exception of 1847, when passenger on board the ship *Albion* of Greenock, when we were fast in the ice, 47 days, never experienced such a quantity of ice in the Gulf of St. Lawrence as last spring when I came out passenger by the Steamer *Ottawa* Capt. Atkins. We left Liverpool on the 25th April, experienced some bad weather; but on the whole made an excellent run, until we fell in with the ice. Capt. Atkins, and his Officers, did all that men could do to force the steamer through, but it was impossible, owing to the quantity of ice, to do so without endangering the loss of the ship and all on board. Getting short of water and coal, Capt. Atkins steered for Sidney, C. B., and after being supplied with both, a schooner reported the Gut of Canso to be cleared of ice. We endeavoured to find a passage to Quebec by that route, but again meeting with ice, and a dense fog coming on, Capt. Atkins determined to put in to Portland, U. S., and in my opinion was perfectly justified in so doing.

I entertain a high opinion of Capt. Atkins, his officers and crew of last spring, and I am satisfied they did their duty, both to owners and passengers. Before steering for Portland, we again tried to find a passage through the ice, but seeing ice in all directions I think it would have been madness on the part of Capt. Atkins to have persevered any longer.

I have to honor to be,
Your obedient servant,

ANDREW PATERSON,
(A. Paterson, Young & Co.)

APPENDIX No. 3.

(From the *Liverpool Journal* of Saturday, October 14, 1854.)

HOW EMIGRANTS SHOULD BE TREATED.

The steerage passengers on board the mail screw steamer *Cleopatra*, on her last outward passage to Canada, presented the following address to her captain and officers, which is not only personally complimentary, but also contains most valuable suggestions as to the general treatment of third class passengers on board all vessels. Believing it will be of much benefit to the great mass of emigrants, we have sincere pleasure in printing it in full:

TO THE CAPTAIN AND OTHER OFFICERS OF THE SCREW STEAM-SHIP CLEOPATRA.

We, the undersigned third class passengers on board of the Canadian Steam Navigation Company's screw steam-ship "*Cleopatra*," respectfully tender our thanks to Captain Salt, for the good treatment which we have received during our voyage from Liverpool to Quebec. We also thank other officers of the ship with whom we have been necessarily in daily communication, for the uniform civility which we have experienced at their hands.

As regards the fitting up of this ship we desire to express our opinion, that the ventilation of the steerage leaves nothing to be desired, and that the fixing of water closets between decks for females, as is the case in this ship, is most desirable in all passenger ships, it being the special duty of some one careful person appointed for the purpose to inspect and keep in order such closets, and also those on the upper deck, at regular and frequent intervals.

We have great satisfaction in stating that we have been regularly and abundantly supplied throughout the voyage with all the items of provisions stipulated for by us in our contract tickets.

For the sake of future steerage passengers between Europe and America, whether in steam or sailing vessels, we wish to express our opinion as to some desirable improvements, but not in a spirit of complaint, for we are not aware that there is any other line of passenger ships in which passengers paying the same or a less price than we have paid, viz., 28 8s. per head, are better accommodated in any of the following respects than we have been in this ship:—

1. We think it desirable that, particularly during the first few days of the voyage, special attention should be paid to the supply of gruel or arrowroot to such passengers as are sick and unable to relish or touch the usual ship's provisions; we also suggest as an improvement on the medical attendance in this ship, that it should be recognised as a part of the duty of the surgeon of the ship to see that sea-sick passengers be thus attended to; and we further suggest that every passenger should be supplied morning and evening, at his or her own choice, with either ready made tea or coffee, or with the means of preparing their own tea or coffee, instead of being dependant for the latter on the capricious goodwill of the ship's cook.

2. Certain of the provisions served out to us have given full satisfaction, such as potatoes, fresh bread, salt fish, and flour pudding, whereas scarcely any of us partake of the porridge, which no doubt can scarcely be prepared satisfactorily in large quantities on board ship, or of the rice, or the salt beef and pork; and we suggest the occasional substitution of some other articles for some of these, such, for instance, as barley broth, or corned beef, or more bread.

3. We suggest that such portion of the steerage as is set apart for females should be separated from the rest during the night and early morning by a curtain or other partition, so as to secure privacy, and that the sleeping berths should be fixed in sets along, rather than across the ship, with a narrow passage between each two sets so as to insure greater comfort when the ship rolls heavily in stormy weather, and so as to provide for privacy in dressing by means of hanging up some article in front of the above passages; while we presume that there would be no corresponding disadvantage either to the Company or to the passengers, whether in the expense of fitting up, or otherwise.

4. We consider that, as it is law and the practice in passenger sailing vessels, so also in third-class passenger steamers, passengers ought not to be deprived of their contract tickets, which are among their principal means of obtaining redress in cases of ill-treatment, the counterparts only of said tickets containing, we presume, all the information of the officers or other authorities connected with the ship.

Finally.—We desire to express our thanks to the chief steward, Mr. James M'Cubbin, for his studious attention to our comfort, and more specially to the steerage passengers' steward, Mr. Edward Hoskins, whom we have invariably found most ready and obliging in giving immediate attention, to the best of his ability, to the calls and wants of every passenger.

Dated on board of the Cleopatra, in the river St. Lawrence, on the evening of the 9th Sept., 1854.

SIGNATURES:

* VERE FOSTER,
John Cullen,
George Batty,
J. Joes,
Jos. Nickords,
F. E. Browne,
L. F. Joes,
John Mowitt,
David White,
Susannah Cullen,
Ann Blake,
Eather Smith,
Geo. Old,
Harriet Olds,
Geo. Ford,
Martha Ford,
Thos. Nosworthy,
Martha Nosworthy,
Wm. Rutherford Mowitt,
Bridget M'Donogh,
Margaret Mowitt,
Mary Russell,

Rebecca Morris,
Rosa Morris,
S. Russell,
Thos. P. Mowitt,
William Coldwell,
Morgan Coldwell,
Mrs. Foster,
Mrs. Glagher,
Mrs. Hancox,
Mary Woods,
Elizabeth Marshall,
Eliza Brown,
Elizabeth Hasting,
Henry Parsons,
Ann Russell,
Jessy Hewlett,
W. H. Beresford,
George Russell,
L. M'Donogh,
Captain Grenier,
Honore Temelin,
F. G. Temelin,

Elizabeth M. Russell.

* This gentleman is well known both in England & Canada for his philanthropic exertions in the cause of poor emigrants, whose accommodation he always shares on board ship in order to test by personal experience, the treatment they receive.

JAN. 26/54